

UTAH OIL AND GAS CONSERVATION COMMISSION

REMARKS: WELL LOG ELECTRIC LOGS FILE ☒ WATER SANDS LOCATION INS SUB. REPORT/abd.

DATE FILED JANUARY 12, 1999

LAND: FEE & PATENTED STATE LEASE NO.

PUBLIC LEASE NO.

INDIAN #

DRILLING APPROVED: FEBRUARY 8, 1999

14-20-H62-3011

SPUDDED IN:

COMPLETED: PUT TO PRODUCING:

INITIAL PRODUCTION:

GRAVITY A.P.I.

GOR:

PRODUCING ZONES:

TOTAL DEPTH:

WELL ELEVATION:

DATE ABANDONED:

FIELD: NATURAL BUTTES

UNIT:

COUNTY: UINTAH

WELL NO. OURAY 2-81

API NO. 43-047-33276

LOCATION 2213 FNL FT. FROM (N) (S) LINE, 892 FWL

FT. FROM (E) (W) LINE. SW NW

1/4 - 1/4 SEC. 2

TWP.	RGE.	SEC.	OPERATOR	TWP.	RGE.	SEC.	OPERATOR
9S	21E	2	COASTAL OIL & GAS				

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

b. TYPE OF WELL

OIL WELL ☐

GAS WELL ☒

OTHER ☐

SINGLE ZONE ☒

MULTIPLE ZONE ☐

2. NAME OF OPERATOR

Coastal Oil & Gas Corporation

3. ADDRESS AND TELEPHONE NO.

P.O. Box 749, Denver, CO 80201-0749

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*

At surface

2213' FNL 892' FWL 717

At proposed prod. zone

Same as above

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

See Topo Map "A"

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.
(Also to nearest drilg unit line, if any)

892'

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.

See Topo Map C

16. NO. OF ACRES IN LEASE

161.03

19. PROPOSED DEPTH

8900'

17. NO. OF ACRES ASSIGNED TO THIS WELL

80

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

4685' Ungraded GL

22. APPROX. DATE WORK WILL START*

Upon Approval

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
See Attached				
Drilling Program				

Coastal Oil & Gas Corporation proposes to drill a well to the proposed TD as stated above. If productive, casing will be run and the well completed. If dry, the well will be plugged and abandoned as per BLM and State of Utah requirements.

See the attached Drilling Program and Multi-point Surface Use & Operations Plan.

Coastal Oil & Gas Corporation is considered to be the operator of the subject well. It agrees to be responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by: BLM Nationwide Bond #U605382-9, BIA Nationwide #114066-A, and State of Utah #102103.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

Sheila Bremer

TITLE

Sheila Bremer

Environmental & Safety Analyst

DATE

1/7/99

(This space for Federal or State office use)

PERMIT NO.

43-047-33276

APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

Federal Approval of this Action is Necessary

APPROVED BY

Bradley G. Hill

TITLE

BRADLEY G. HILL
RECLAMATION SPECIALIST III

DATE

2/8/99

*See Instructions On Reverse Side

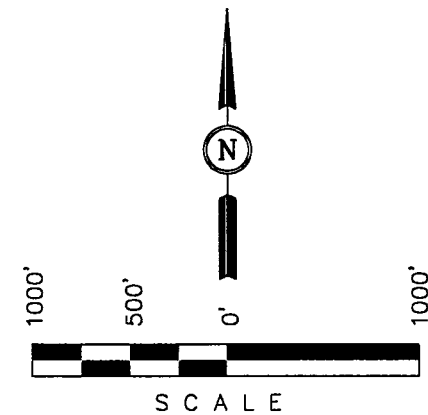
Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

COASTAL OIL & GAS CORP.

Well location, OURAY #2-81, located as shown in the SW 1/4 NW 1/4 of Section 2, T9S, R21E, S.L.B.&M. Uintah County, Utah.

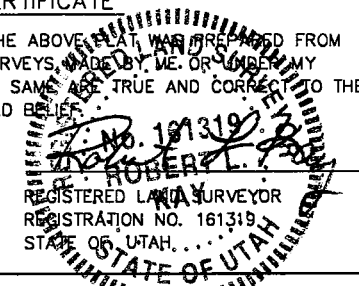
BASIS OF ELEVATION

SPOT ELEVATION AT THE SOUTHWEST CORNER OF SECTION 2, T9S, R21E, S.L.B.&M. TAKEN FROM THE OURAY SE QUADRANGLE, UTAH, UTAH COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 4853 FEET.



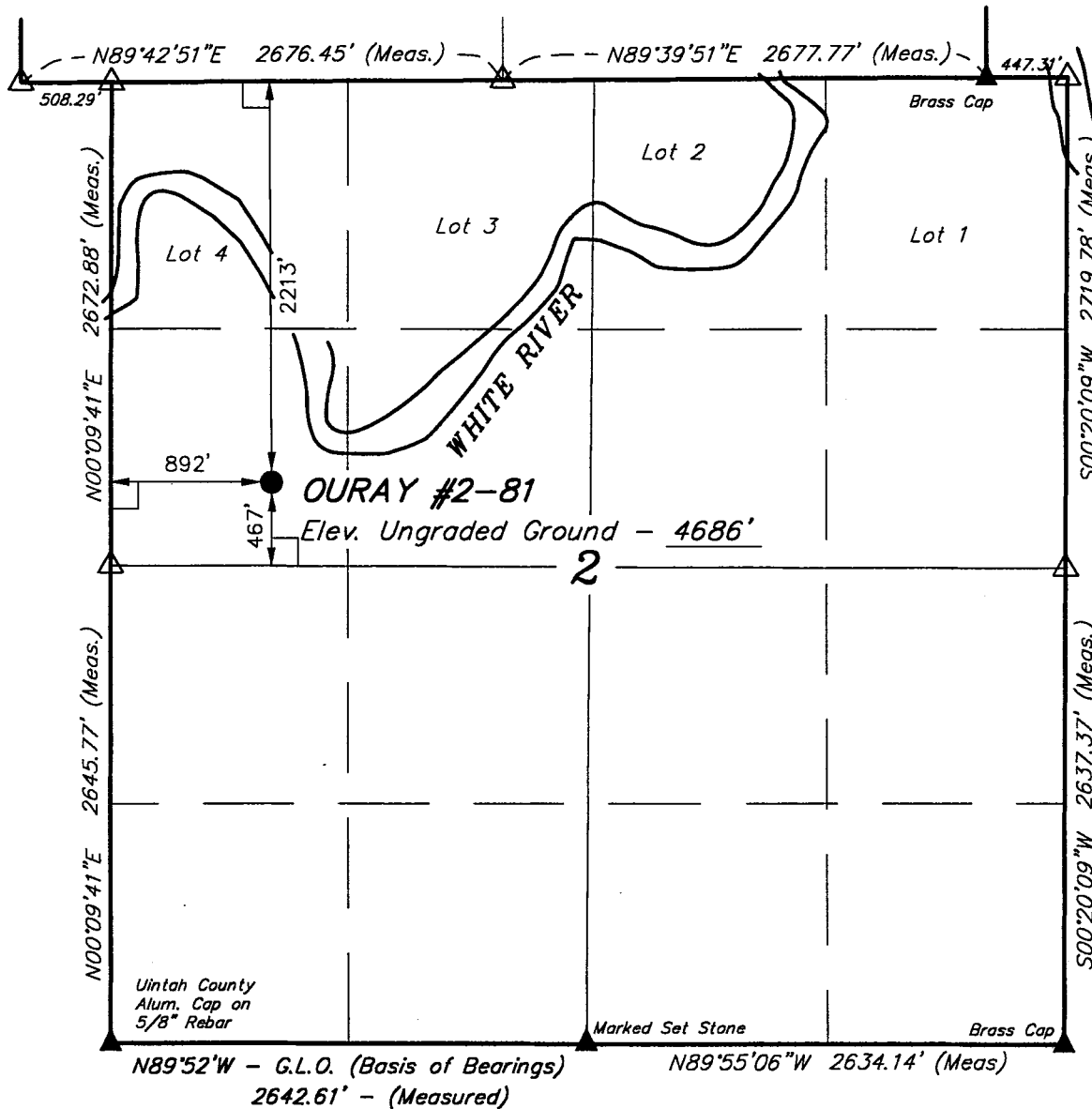
CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME, OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



UINTAH ENGINEERING & LAND SURVEYING
 85 SOUTH 200 EAST - VERNAL, UTAH 84078
 (435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 11-25-98	DATE DRAWN: 12-14-98
PARTY K.K. T.A. C.B.T.	REFERENCES G.L.O. PLAT	
WEATHER COOL	FILE COASTAL OIL & GAS CORP.	



LEGEND:

- └─ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.
- △ = SECTION CORNERS RE-ESTABLISHED. (Not Set)

T9S, R21E, S.L.B.&M.

**OURAY 2-81
2213' FNL & 892' FWL
SWNW, SECTION 2-T9S-R21E
UINTAH COUNTY, UTAH
LEASE NUMBER: 14-20-H62-3011**

ONSHORE ORDER NO. 1

MULTI-POINT SURFACE USE & OPERATIONS PLAN

An onsite inspection was conducted for the Ouray 2-81 on 12/8/98 at approximately 1:15 p.m. Weather conditions were cold at the time of the onsite. In attendance at the inspection were the following individuals:

Sheila Bremer	Coastal Oil & Gas Corporation
Kenny Nielsen	Coastal Oil & Gas Corporation
Bill Rawlins	Coastal Oil & Gas Corporation
Carroll Wilson	Coastal Oil & Gas Corporation
Greg Darlington	Bureau of Land Management
Manuel Myore	Bureau of Indian Affairs
Alvin Ignacio	Ute Tribe
Robert Kay	Uintah Engineering & Land Surveying
Harley Jackson	Jackson Construction
Jim Justice	J-West
John Faucett	John E. Faucett Construction

1. Existing Roads:

Refer to Topo Map A for directions to the location.

Refer to Topo Maps A and B for location of access roads within a 2-mile radius.

There will be no improvements made to existing access.

2. Planned Access Roads:

Please see the Natural Buttes Unit Standard Operating Procedure (SOP).

Refer to Topo Map B for the location of the proposed access road.

3. Location of Existing Wells Within a 1-Mile Radius:

Please refer to Topo Map C.

4. Location of Existing & Proposed Facilities:

Please see the Natural Buttes Unit SOP.

Refer to Topo Map D for the location of the proposed pipeline.

5. **Location and Type of Water Supply:**

Please see the Natural Buttes Unit SOP.

6. **Source of Construction Materials:**

Please see the Natural Buttes Unit SOP.

7. **Methods of Handling Waste Materials:**

Please see the Natural Buttes Unit SOP.

8. **Ancillary Facilities:**

Please see the Natural Buttes Unit SOP.

9. **Well Site Layout:** (See Location Layout Diagram)

The attached Location Layout Diagram describes drill pad cross-sections, cuts and fills, and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s), and surface material stockpile(s).

Please see the attached diagram to describe rig orientation, parking areas, and access roads.

As agreed to at the onsite, the reserve pit will be lined. When the reserve pit is closed, the pit liner will be buried.

10. **Plans for Reclamation of the Surface:**

Please see the Natural Buttes Unit SOP.

11. **Surface Ownership:**

The well pad and access road are located on lands owned by Ute Tribal allottee.

12. **Other Information:**

A Class III archaeological survey was conducted by Montgomery Archaeological Consultants. A copy of this report was submitted directly to the appropriate agencies by Montgomery Archaeological Consultants. Cultural resource clearance was recommended for this location.

13. **Lessee's or Operators's Representative & Certification:**

Sheila Bremer
Environmental & Safety Analyst
Coastal Oil & Gas Corporation
P.O. Box 749
Denver, CO 80201-0749
(303) 573-4455

Tom Young
Drilling Manager
Coastal Oil & Gas Corporation
9 Greenway Plaza, Suite 2770
Houston, TX 77046
(713) 418-4156

Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

The Operator will be fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

I hereby certify that I, or persons under my supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions that currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed by the Operator, its contractors, and subcontractors in conformity with this plan and the terms and conditions under which it is approved.



Sheila Bremer

1/7/99

Date

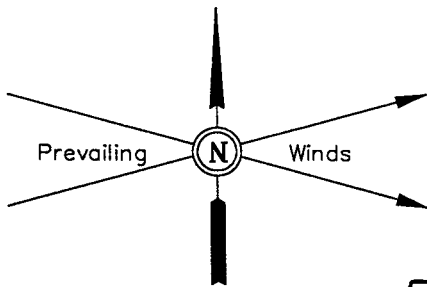
COASTAL OIL & GAS CORP.

LOCATION LAYOUT FOR

OURAY #2-81

SECTION 2, T9S, R21E, S.L.B.&M.

2213' FNL 892' FWL



F-0.4'
El. 84.8'

C-0.5'
El. 85.7'

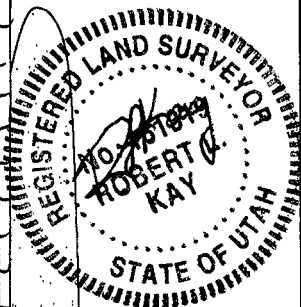
C-2.5'
El. 87.7'

Sta. 3+25

SCALE: 1" = 50'
DATE: 12-15-98
Drawn By: C.B.T.

NOTE:

Flare Pit is to be located
a min. of 100' from the
Well Head.



Approx.
Top of
Cut Slope

El. 85.0'
C-9.8'
(btm. pit)

FLARE PIT

F-0.1'
El. 85.1'

C-0.1'
El. 85.3'

C-0.5'
El. 85.7'

Sta. 1+50

C-1.9'
El. 87.1'

RESERVE PITS
(10' Deep)
Pit Capacity With
2' of Freeboard
is ±9,650 Bbls.

Sta. 0+55

El. 84.0'
C-8.8'
(btm. pit)

Reserve Pit Backfill
& Spoils Stockpile

F-1.8'
El. 83.4'

F-3.1'
El. 82.1'

F-1.7'
El. 83.5'

F-1.4'
El. 83.8'

Sta. 0+00

Approx.
Toe of
Fill Slope

NOTES:

Elev. Ungraded Ground At Loc. Stake = 4685.7'

FINISHED GRADE ELEV. AT LOC. STAKE = 4685.2'

FIGURE #1

UINTAH ENGINEERING & LAND SURVEYING
85 South 200 East Vernal, Utah

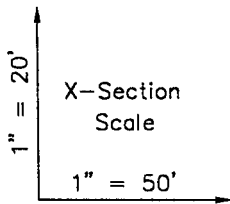
COASTAL OIL & GAS CORP.

TYPICAL CROSS SECTIONS FOR

OURAY #2-81

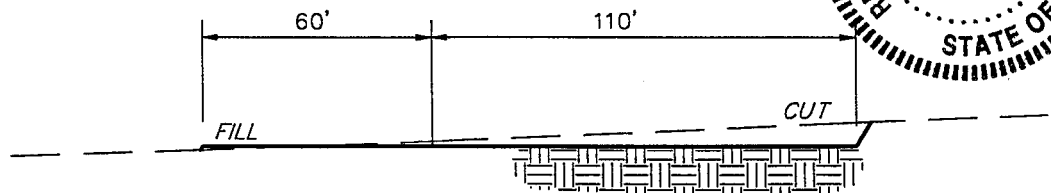
SECTION 2, T9S, R21E, S.L.B.&M.

2213' FNL 892' FWL

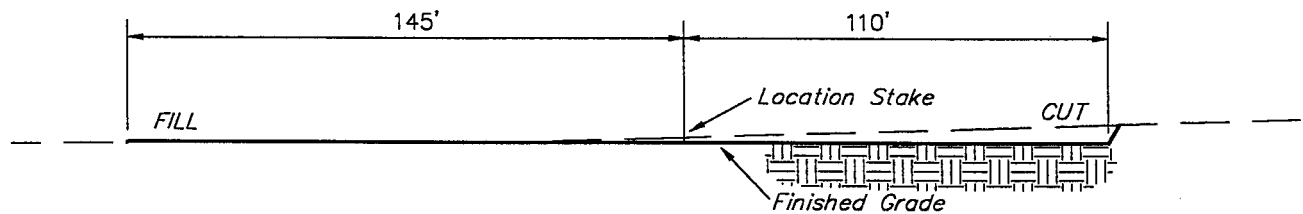


DATE: 12-15-98

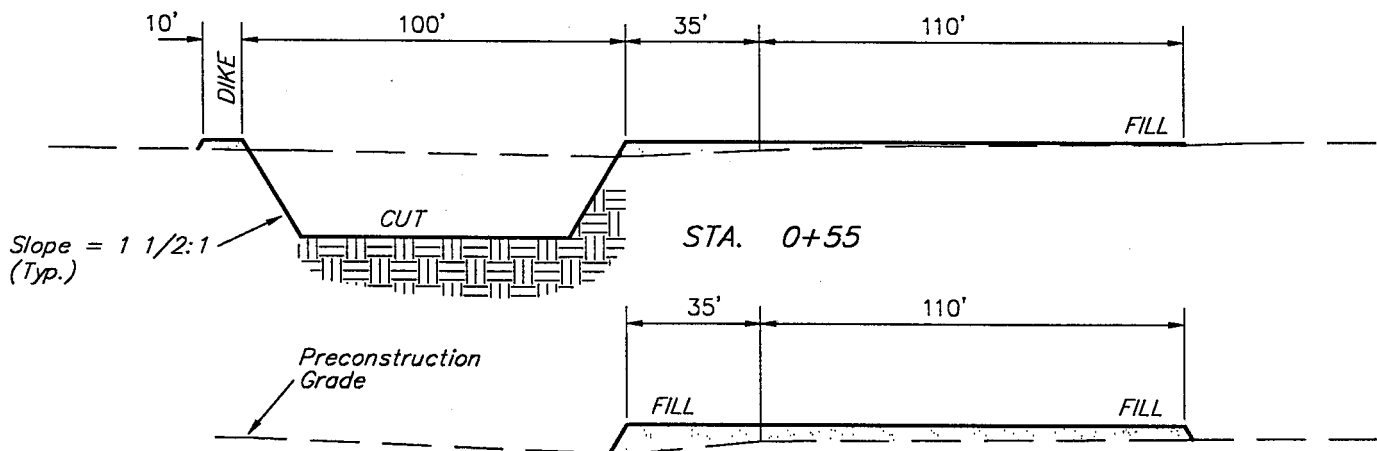
Drawn By: C.B.T.



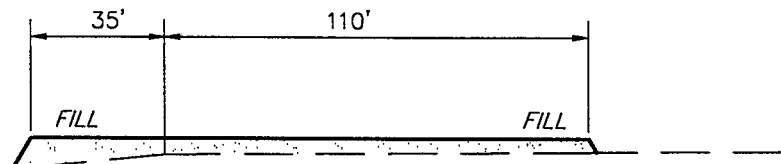
STA. 3+25



STA. 1+50



STA. 0+55



STA. 0+00

NOTE:

Topsoil should not be Stripped Below Finished Grade on Substructure Area.

FIGURE #2

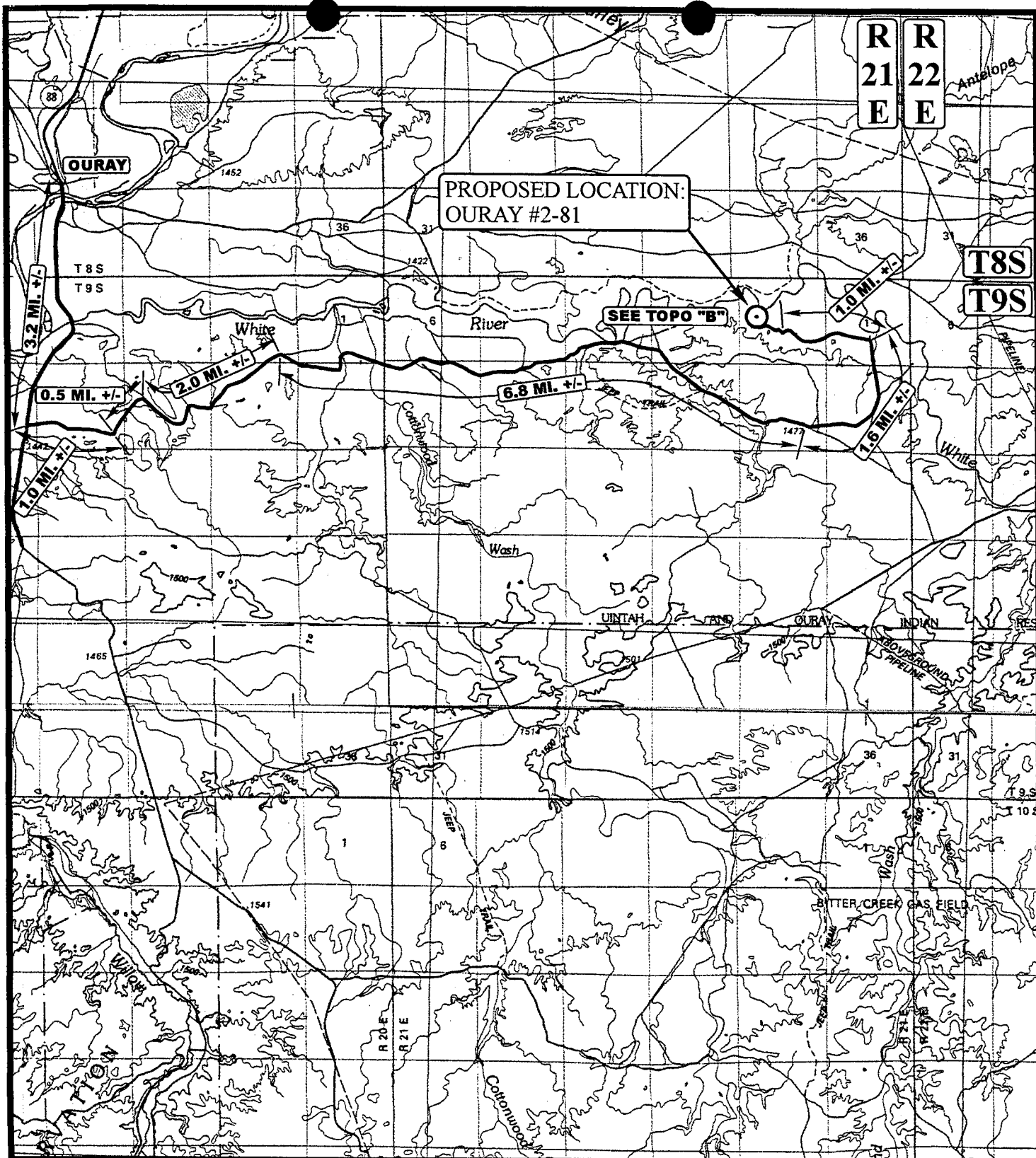
APPROXIMATE YARDAGES

CUT	
(12") Topsoil Stripping	= 2,280 Cu. Yds.
Remaining Location	= 3,030 Cu. Yds.
TOTAL CUT	= 5,310 CU.YDS.
FILL	= 1,130 CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION	= 4,120 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 3,620 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 500 Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING

85 South 200 East Vernal, Utah



LEGEND:

○ PROPOSED LOCATION

N

COASTAL OIL & GAS CORP.

OURAY #2-81

SECTION 2, T9S, R21E, S.L.B.&M.
2213' FNL 892' FWL



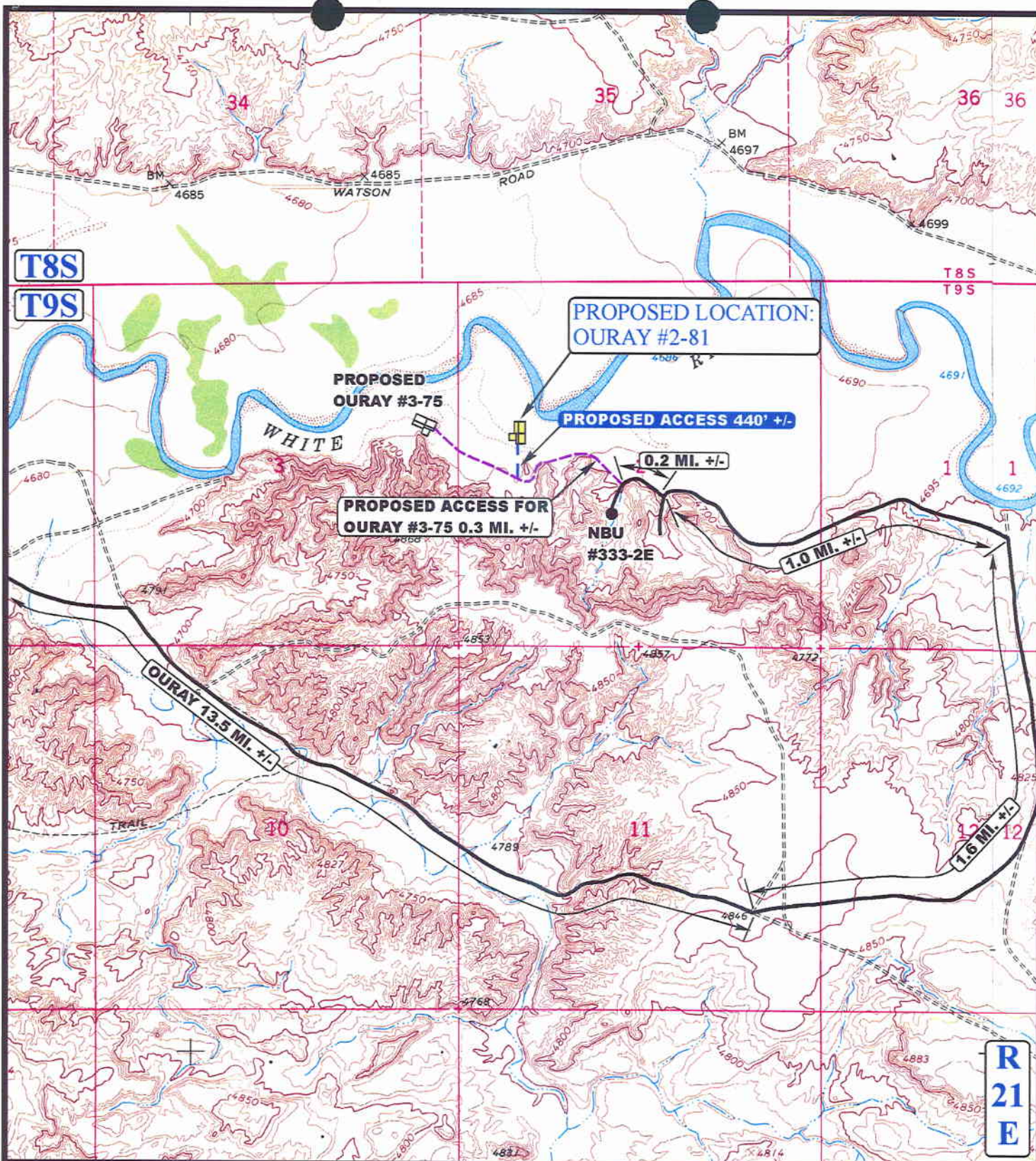
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC
MAP

12 14 98
MONTH DAY YEAR

SCALE: 1:100,000 DRAWN BY: J.L.G. REVISED: 00-00-00





LEGEND:

----- PROPOSED ACCESS ROAD
 _____ EXISTING ROAD

COASTAL OIL & GAS CORP.

OURAY #2-81

SECTION 2, T9S, R21E, S.L.B.&M.

2213' FNL 892' FWL

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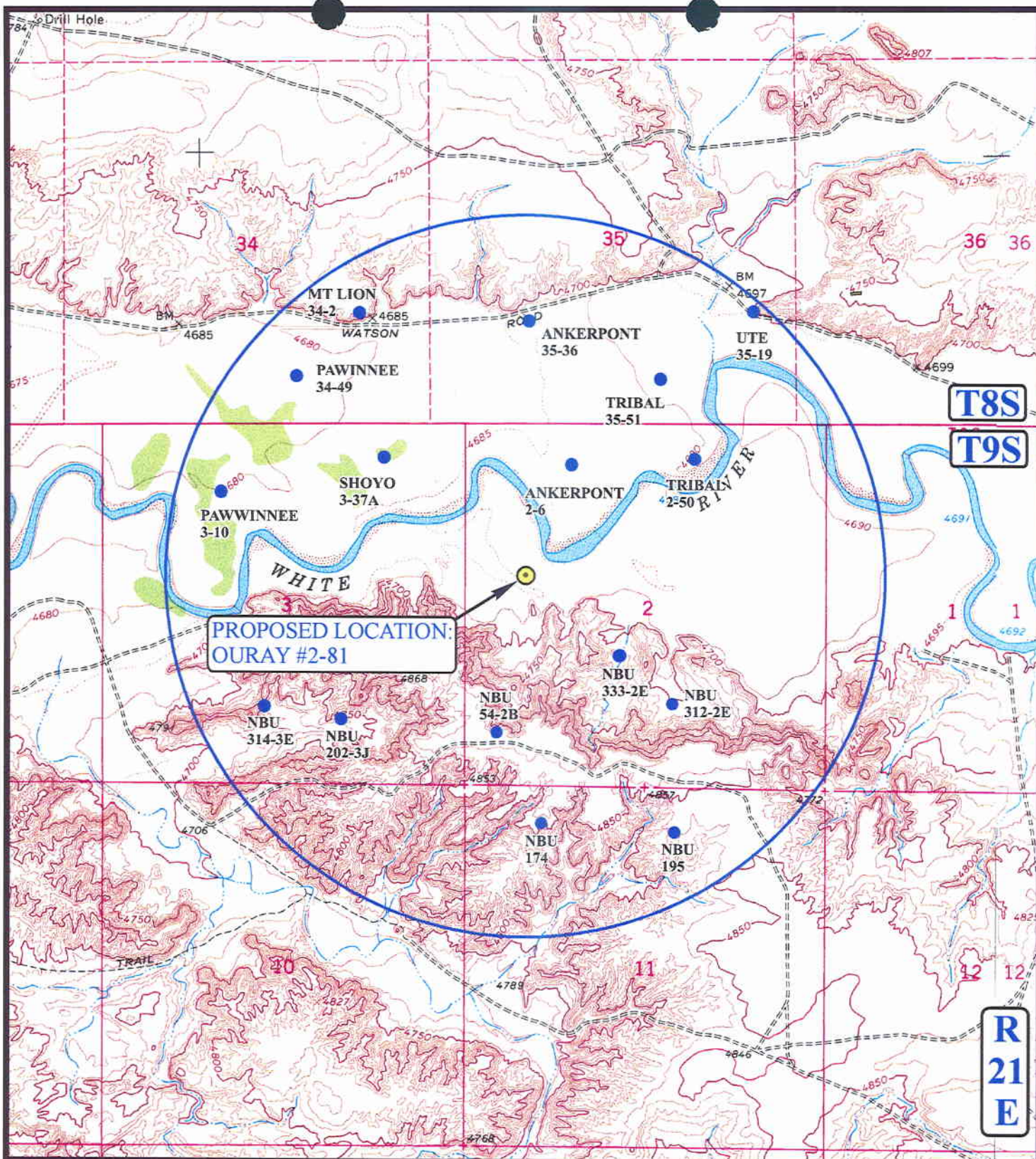
Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

**TOPOGRAPHIC
MAP**

12 14 98
 MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: J.L.G. REVISED: 00-00-00

**B
TOPO**



LEGEND:

- | | |
|-------------------|-------------------------|
| ⊘ DISPOSAL WELLS | ⊘ WATER WELLS |
| ● PRODUCING WELLS | ● ABANDONED WELLS |
| ● SHUT IN WELLS | ● TEMPORARILY ABANDONED |



COASTAL OIL & GAS CORP.

OURAY #2-81

SECTION 2, T9S, R21E, S.L.B.&M.

2213' FNL 892' FWL



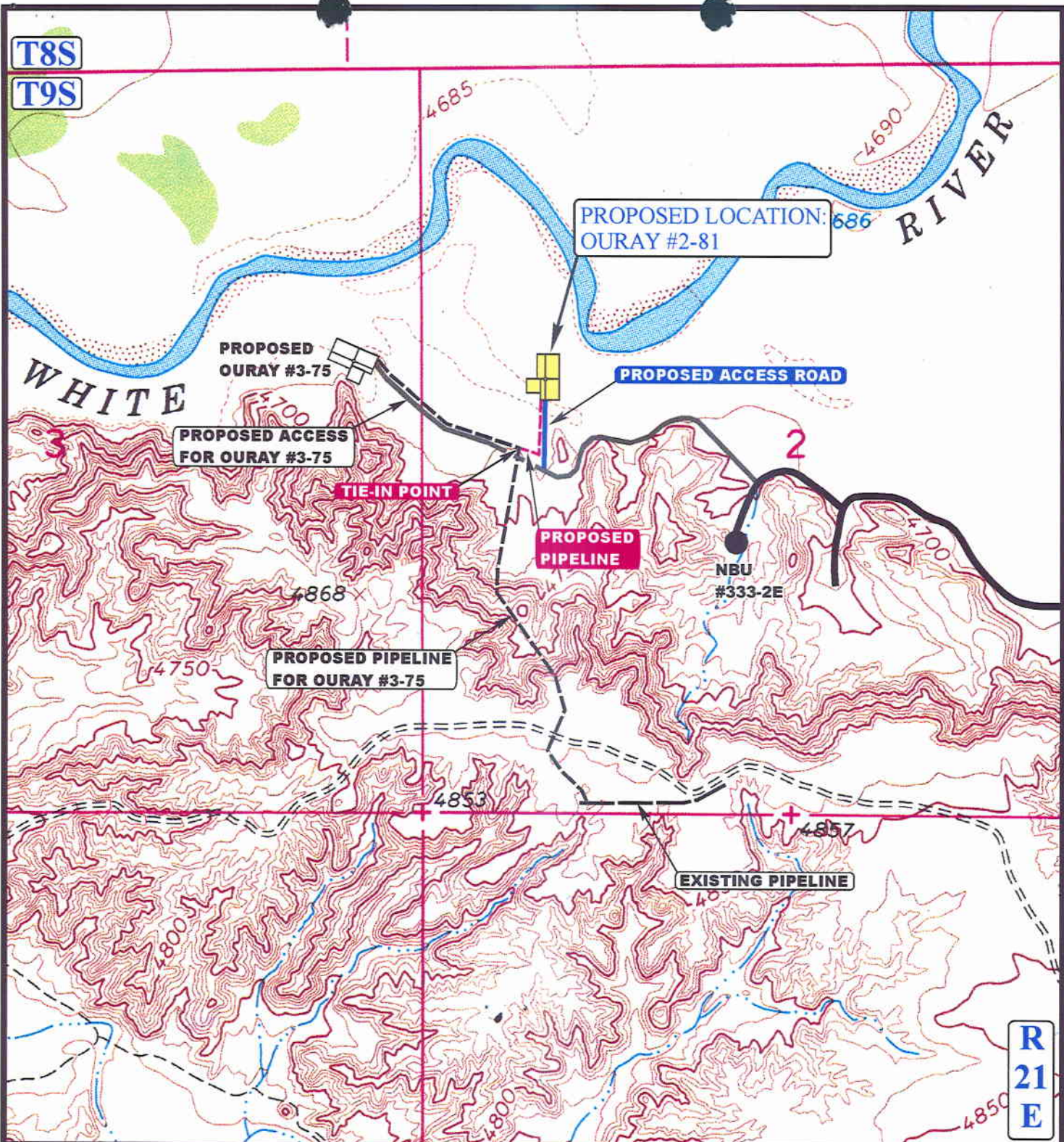
Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

**TOPOGRAPHIC
MAP**

1 6 99
 MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: J.L.G. REVISED: 00-00-00





APPROXIMATE TOTAL PIPELINE DISTANCE = 540' +/-

LEGEND:

- EXISTING PIPELINE
- PROPOSED PIPELINE
- PROPOSED ACCESS

COASTAL OIL & GAS CORP.

OURAY #2-81

SECTION 2, T9S, R21E, S.L.B.&M.

2213' FNL 892' FWL

U&LS Utah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP **11 24 98**
MONTH DAY YEAR
SCALE: 1" = 1000' DRAWN BY: D.COX REV: 12-14-98 J.L.G. **D TOPO**

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 01/12/1999

API NO. ASSIGNED: 43-047-33276

WELL NAME: OURAY 2-81
OPERATOR: COASTAL OIL & GAS CORP (N0230)
CONTACT: Shirley Bremer (303) 573-4455

PROPOSED LOCATION:
SWNW 02 - T09S - R21E
SURFACE: 2213-FNL-0892-FWL
BOTTOM: 2213-FNL-0892-FWL
UINTAH COUNTY
NATURAL BUTTES FIELD (630)

LEASE TYPE: IND
LEASE NUMBER: 14-20-H62-3011
SURFACE OWNER: Ute Tribe

INSPECT LOCATN BY: / /

TECH REVIEW	Initials	Date
Engineering	<u>RTK</u>	<u>2-5-99</u>
Geology		
Surface		

PROPOSED FORMATION: MVRD

RECEIVED AND/OR REVIEWED:

☒ Plat
☒ Bond: Federal ☒ State ☐ Fee ☐
(No. IND-114066-A)
☒ Potash (Y/N)
☒ Oil Shale (Y/N) *190-5(B)
☒ Water Permit
(No. 43-8496)
☒ RDCC Review (Y/N)
(Date: _____)
☒ Fee Surf Agreement (Y/N)

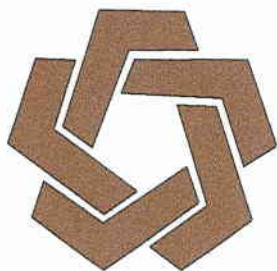
LOCATION AND SITING:

☐ R649-2-3. Unit _____
☐ R649-3-2. General _____
☐ R649-3-3. Exception _____
☒ Drilling Unit
Board Cause No: 173-13
Date: 12-31-98

COMMENTS: * Sop "NBA E. Ouray Field", separate file.

STIPULATIONS: ① In accordance with Order in Cause No. 190-5(b) dated October 28, 1982, the Operator shall comply with requirements of Rule R649-3-31 pertaining to Designated Oil Shale Areas. Additionally, the operator shall ensure that the surface and/or production casing in properly cemented over the entire oil shale interval as defined by Rule R649-3-31. For the proposed well this interval is approximately 1,974 ' to 2,094 ' below GL. The Operator shall report the actual depth the oil shale is encountered to the Division.

② FEDERAL APPROVAL



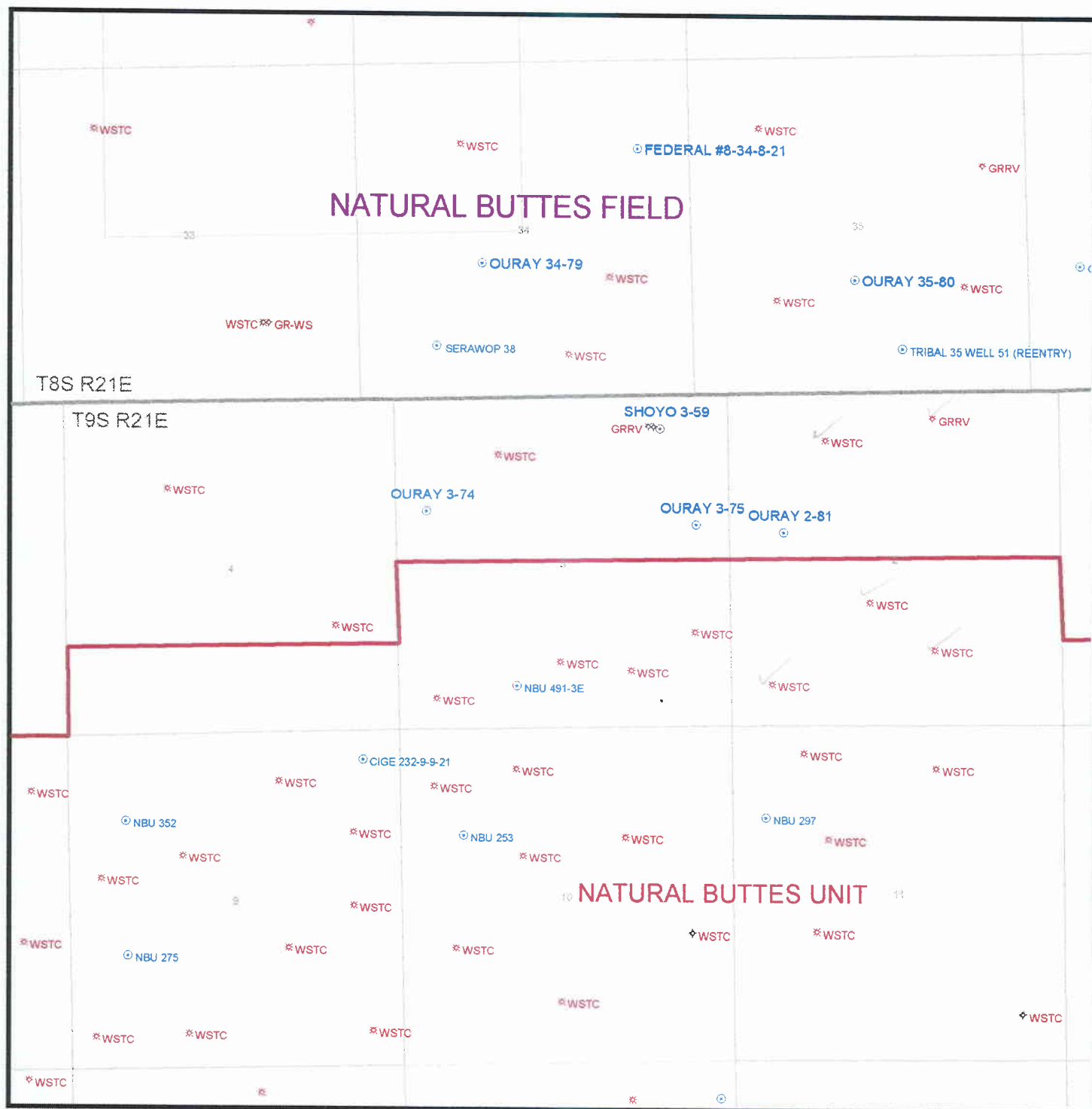
Department of Natural Resources
Division of Oil, Gas & Mining

OPERATOR: COASTAL OIL & GAS CORP. (N0230)

FIELD: NATURAL BUTTES (630)

SEC. 2 & 3, TWP 9S, RNG 21E

COUNTY: UINTAH ☐ UNIT: NONE

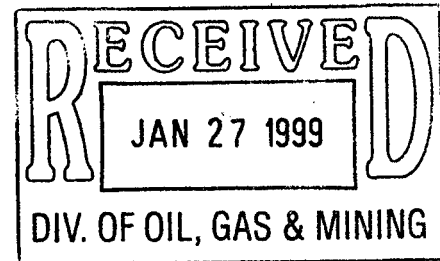


PREPARED
DATE: 21-JAN-1999



Coastal
The Energy People

January 22, 1999



Bureau of Land Management
Vernal District Office
170 South 500 East
Vernal, Utah 84078

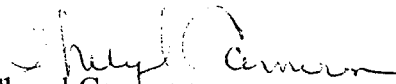
ATTENTION: Ed Forsman

Dear Ed,

Enclosed is the original and two copies of the Sundry Notice and Reports on Wells, requesting approval that the NBU SOP be amended to include the Ouray field, for all APD's Permitted.

If you have questions or need additional information, please do not hesitate to call me, (435) 789-4433.

Sincerely,


Cheryl Cameron
Environmental Analyst

Coastal Oil & Gas Corporation

A SUBSIDIARY OF THE COASTAL CORPORATION
1176 S. 1500 E. • P.O. BOX 1118 • VERNAL, UT 84078 • TEL 789-4433 • FAX 801-789-4436

cc w/ encl: Mr. Ferron Secakuku
Ute Tribe
Energy & Minerals Resource Department
P.O. Box 70
Ft. Duchesne, UT 84026

Mr. Charles H. Cameron
Bureau of Indian Affairs
Uintah & Ouray Agency
Office of Minerals & Mining
P.O. Box 130
Ft. Duchesne, UT 84026

Ms. Lisha Cordova
State of Utah
Division of Oil Gas & Mining
1594 West North Temple, Suite 1210
Salt Lake City, UT 84114

(June 1990)

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

FORM APPROVED

Budgeted Bureau No. 1004-0135

Expires March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT -" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas well <input checked="" type="checkbox"/> Other Ouray field	5. Lease Designation and Serial No. Various
2. Name of Operator Coastal Oil & Gas Corporation (435) 789-4433	6. If Indian, Allottee or Tribe Name Ute Tribe
3. Address and Telephone No. P.O. Box 1148, Vernal, UT 84078	7. If unit or CA, Agreement Designation
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Future wells in Ouray field	8. Well Name and No. To be determined
	9. API Well No. To be determined
	10. Field and Pool, or Exploratory Area Ouray
	11. County or Parish, State Uintah

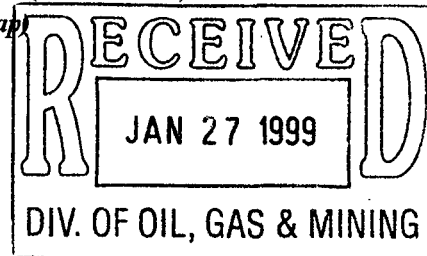
12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Casing repair	<input type="checkbox"/> Water Shut-off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input checked="" type="checkbox"/> Other <u>Standard Operating Procedure</u>	<input type="checkbox"/> Dispose Water
		(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work)

Coastal Oil & Gas Corporation requests authorization to amend the approved NBU SOP to include the Ouray field. Coastal intends to utilize the NBU SOP for all APD permits submitted in the Ouray field. APD's for the Ouray field will be supplemented with site-specific information as required with the NBU SOP and any additional information pertaining to specific surface casing & cementing, kicker sand, and drilling fluids modifications (air mist/mud).

Section, Township, and Range, to be included are: *(Refer to attached Topographic Map)*

Sec. 1- 6, T9S, R21E
Sec. 1-4, T9S, R20E
Sec. 33-36, T8S, R20E
Sec. 31-36, T8S, R21E
Sec. 30& 31, T8S, R22E
Sec. 6-T9S, R22E



14. I hereby certify that the foregoing is true and correct

Signed Cheryl Cameron Title Environmental Analyst Date 1/20/99
Cheryl Cameron

(This space of Federal or State office use.)

Approved by _____ Title _____ Date _____
Conditions of approval, if any:

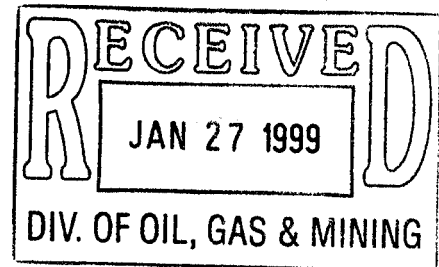
Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly to make to any department of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

***See Instruction on Reverse Side**



January 21, 1999

Bureau of Land Management
Vernal District Office
170 South 500 East
Vernal, Utah 84078



ATTENTION: Ed Forsman


RE: Ouray 5-67 Ouray 6-66 Ouray 5-68 Ouray 32-70 Ouray 6-71
Ouray 5-72 Ouray 3-74 Ouray 2-81 Tribal 36-35 Jenks 5-41
Ouray 6-73 Shoyo 3-59 Ouray 3-75 Ouray 34-79 Serawop 34-38
Ouray 35-80 Ouray 32-69

Dear Ed,

Enclosed are the amendments to the **Drilling Program** for the surface casing, on the above referenced locations, for the APD's recently submitted. I apologize for any inconvenience this may cause.

Please do not hesitate to contact me if you have any questions or need additional information in the Vernal office, (435) 789-4433.

Sincerely,


Cheryl Cameron
Environmental Analyst

Coastal Oil & Gas Corporation

A SUBSIDIARY OF THE COASTAL CORPORATION
1176 S. 1100 E. • P.O. BOX 1113 • VERNAL, UT 84078 • 801-789-4433 • FAX 801-789-4436

cc w/ encl: Mr. Ferron Secakuku
Ute Tribe
Energy & Minerals Resource Department
P.O. Box 70
Ft. Duchesne, UT 84026

Mr. Charles H. Cameron
Bureau of Indian Affairs
Uintah & Ouray Agency
Office of Minerals & Mining
P.O. Box 130
Ft. Duchesne, UT 84026

Ms. Lisha Cordova
State of Utah
Division of Oil Gas & Mining
1594 West North Temple, Suite 1210
Salt Lake City, UT 84114

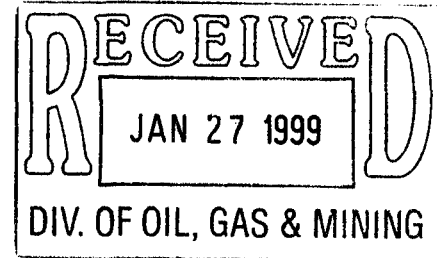
**OURAY 2-81
2213' FNL & 892' FWL
SWNW, SECTION 2-T9S-R21E
UINTAH COUNTY, UTAH
LEASE NUMBER: 14-20-H62-3011**

**ONSHORE ORDER NO. 1
COASTAL OIL & GAS CORPORATION**

DRILLING PROGRAM

1. Estimated Tops of Important Geologic Markers:

<u>Formation</u>	<u>Depth</u>
Duchesne River/Uinta	Surface
Green River	2040'
Wasatch	5300'
Mesaverde	8070'
Total Depth	8900'



2. Estimated Depths of Anticipated Water, Oil, Gas, or Mineral Formations:

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
Oil/Gas	Green River	2040'
	Wasatch	5300'
	Mesaverde	8070'
Water	N/A	
Other Minerals	N/A	

3. Pressure Control Equipment:

Please see the Natural Buttes Unit Standard Operating Procedure (SOP).

4. Proposed Casing & Cementing Program:

Please see the Natural Buttes Unit SOP.

Casing and Cementing Program changes from the Natural Buttes Unit SOP are as follows:

<i>SURFACE CASING</i>	<i>Depth</i>	<i>Hole Size</i>	<i>Csg Size</i>	<i>Wt/Ft</i>	<i>Grade</i>	<i>Type</i>
Kicker Sand Present	0-900'	11"	8-5/8"	24#	K-55	ST&C

<i>Surface Casing</i>	<i>Fill</i>	<i>Type & Amount</i>
Kicker Sand Present -- 0-900'	900'	255 sx Class "G" + 2% CaCl ₂ , 15.6 ppg, 1.19 cf/sx (Cement will be circulated to surface, about 25% excess).
<i>Production Casing</i>	<i>Type & Amount</i>	
500' above productive interval-surface	Lead: Extended, Lite, or Hi-Fill cement + additives, 11 ppg, 3.81 cf/sx.	
TD-500' above productive interval	Tail: Extended Class "G" or 50:50 Poz + additives, 14.3 ppg; or RFC, 14.0-14.5 ppg, 1.26 cf/sx.	

5. Drilling Fluids Program:

Please see the Natural Buttes Unit SOP.

If the Kicker Sand is present, weighted mud (9.0 ppg or less) may be required. If hole conditions warrant, a mud system will be used.

This well will be considered a candidate for disposal of its drilling fluids down the casing annulus. If this disposal method is considered viable by the Operator, a sundry shall be submitted to each appropriate regulatory agency for approval after drilling is completed. Regulatory approval will be obtained prior to execution. The following information shall be included in the sundry:

- Chemical constituency of the drilling fluid;
- Depths where the casing has been set;
- Depths of freshwater zones encountered during drilling;
- Procedure for protection of freshwater (potential drinking water) zones, if encountered;
- Presence of any lost circulation zones;
- Depth of target formation where drilling fluid will exit the wellbore;
- Water quality in the target formation prior to drilling fluid disposal;
- Explanation of target formation's suitability to accept drilling fluid;
- Preventative measures to be taken to ensure that drilling fluids will not re-enter the wellbore;
- Volume of fluids to be disposed of;
- Fluid pressure necessary to pump the drilling fluids.

6. Evaluation Program:

Please see the Natural Buttes Unit SOP.

7. **Abnormal Conditions:**

Maximum anticipated bottomhole pressure approximately equals 3,560 psi (calculated at 0.4 psi/foot).

Maximum anticipated surface pressure equals approximately 1,602 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

8. **Anticipated Starting Dates & Notification of Operations:**

Please see the Natural Buttes Unit SOP.

9. **Variances:**

Please see the Natural Buttes Unit SOP.

10. **Other Information:**

Please see the Natural Buttes Unit SOP.



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

February 8, 1999

Coastal Oil & Gas Corporation
P.O. Box 749
Denver, Colorado 80201-0749

Re: Ouray 2-81 Well, 2213' FNL, 892' FWL, SW NW, Sec. 2, T. 9 S., R. 21 E., Uintah
County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. 40-6-1 et seq., Utah Administrative Code R649-3-1 et seq., and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-33276.

Sincerely,

A handwritten signature in black ink, appearing to read 'John R. Baza', written over a horizontal line.

John R. Baza
Associate Director

lwp

Enclosures

cc: Uintah County Assessor
Bureau of Land Management, Vernal District Office

Operator: Coastal Oil & Gas Corporation

Well Name & Number: Ouray 2-81

API Number: 43-047-33276

Lease: Indian **Surface Owner:** Ute Tribe

Location: SW NW **Sec.** 2 **T.** 9 S. **R.** 21 E.

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for Permit to Drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well. Contact Carol Daniels at (801)538-5284.

Notify the Division prior to commencing operations to plug and abandon the well. Contact Dan Jarvis at (801) 538-5338 or Robert Krueger at (801) 538-5274.

3. Reporting Requirements

All required reports, forms and submittals shall be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval which must be obtained prior to drilling.

5. In accordance with the Order in Cause No. 190-5(b) dated October 28, 1982, the operator shall comply with the requirements of Rule R649-3-31 pertaining to Designated Oil Shale Areas. Additionally, the operator shall ensure that the surface and/or production casing is properly cemented over the entire oil shale interval as defined by Rule R649-3-31. For the proposed well this interval is approximately 1,974' to 2,094' below G.L. The operator shall report the actual depth the oil shale is encountered to the Division.

RECEIVED

FEB 11 1999

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

IV. OF OIL, GAS & MINING

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

5. LEASE DESIGNATION AND SERIAL NO.
14-20-H62-3011

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
Ute

7. UNIT AGREEMENT NAME
N/A GC-187

8. FARM OR LEASE NAME, WELL NO.
Ouray 2-81

9. API WELL NO.

10. FIELD AND POOL, OR WILDCAT
Ouray Field

11. SEC., T., R., M., OR BLK.
AND SURVEY OR AREA
SW/NW Section 2-T9S-R21E

12. COUNTY OR PARISH
Uintah

13. STATE
Utah

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

DRILL ☒ DEEPEN ☐

b. TYPE OF WELL
OIL WELL ☐ GAS WELL ☒ OTHER ☐
SINGLE ZONE ☒ MULTIPLE ZONE ☐

2. NAME OF OPERATOR
Coastal Oil & Gas Corporation

3. ADDRESS AND TELEPHONE NO.
P.O. Box 749, Denver, CO 80201-0749 (303) 573-4455

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. *)
At surface
2213' FNL 892' FWL
At proposed prod. zone
Same as above

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
See Topo Map "A"

15. DISTANCE FROM PROPOSED*
LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any) 892'

16. NO. OF ACRES IN LEASE
161.03

17. NO. OF ACRES ASSIGNED
TO THIS WELL
80

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT. See Topo Map C

19. PROPOSED DEPTH
8900'

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF,RT, GR, etc.)
4685' Ungraded GL

22. APPROX. DATE WORK WILL START*
Upon Approval

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
See Attached				
Drilling Program				

Coastal Oil & Gas Corporation proposes to drill a well to the proposed TD as stated above. If productive, casing will be run and the well completed. If dry, the well will be plugged and abandoned as per BLM and State of Utah requirements.

See the attached Drilling Program and Multi-point Surface Use & Operations Plan.

Coastal Oil & Gas Corporation is considered to be the operator of the subject well. It agrees to be responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by: BLM Nationwide Bond #U605382-9, BIA Nationwide #114066-A, and State of Utah #102103.

24. SIGNED Sheila Bremer TITLE Environmental & Safety Analyst DATE 1/7/99

(This space for Federal or State office use)

NOTICE OF APPROVAL. PERMIT NO. _____ APPROVAL DATE _____

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY Howard R. Clauger TITLE Assistant Field Manager Mineral Resources DATE FEB 08 1999

See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

RECEIVED
JAN 11 1999

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Coastal Oil & Gas Corporation

Well Name & Number: 2-81

API Number: 43-047-33276

Lease Number: 14-20-H62-3011

Location: SWNW Sec. 02 T. 09S R. 21E

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Be aware fire restrictions may be in effect when location is being constructed and/or when well is being drilled. Contact the appropriate Surface Management Agency for information.

The **BOP** and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc., for a **3M** system and individual components shall be operable as designed. Chart recorders shall be used for all pressure tests.

A. Drilling Program

1. Casing Program and Auxiliary Equipment

The hole size for the surface casing shall be a minimum of 12 1/4" diameter, to facilitate remedial cementing

2. Mud program and Circulating Medium

The request to consider disposing of drilling fluids down the casing annulus is **denied**.

SURFACE USE PROGRAM

The Ute Tribe Energy and Mineral Department is to be notified 48 hours in writing in advance of any construction activity. The Ute Tribal office days are Monday through Thursday. The Ute Tribe Energy and Minerals Department is to be notified in writing of any changes that are made to the original application and ROW. Approved changes will be provided in writing from the Ute Tribe. The Tribal Technician shall be notified and monitor backfilling of reserve pits.

During construction of the access road for wellsites 2-81 and 3-75 a qualified paleontologist and the Tribal Technician shall monitor construction operations. The location at well 2-81 would be rotated to place the reserve pit near the southwest corner as shown on Map D and on the APD pad layout diagram. (Rather than that shown on the ROW application and the earlier pad layout diagram used at the onsite to keep the pit further from the White River.)

Thirty foot wide Rights-Of-Way (ROWs) corridor shall be granted for the following:

Access roads which shall have constructed travel width limited to 18 feet, except as granted for sharp curves or intersections or where deep cuts are required for road construction. The new access will be about 454 feet in length from the 3300 foot long ROW applied for in project well 3-75 and would share the east half of that proposed road to reach the well service road to an existing well. (333-2E Enron Natural Buttes Unit) Culverts will be installed or extended where required to improve the existing roads.

A surface steel production flowline is planned for this project. The flowline shall be mostly above ground as indicated in Map D.

Surface pipelines will be constructed to lay on the soil surface, and the ROW for the pipeline will not be bladed or cleared of vegetation. The line shall either be constructed on the road and then lifted from the road to its intended location paralleling the road, or it shall be welded in place at a welding station located at the wellsite or on roads near the flowline right of way and then dragged into place with a suitable piece of equipment so it will not destroy the natural vegetation. If the flowline doesn't follow existing and APD proposed new access roads then traffic shall be restricted along pipeline ROWs so that they will not be used as an access road. The 4040 foot long route for the flowline applied for in project well 3-75 would share about 3000 feet of length with that for project well 2-81 and another 540 feet of flowline for a total of about 3540 feet is indicated in the APD on Map D.

Buried flowlines shall be a minimum of four feet below the surface. After the construction of the pipeline is completed the disturbed area of the ROW shall be contoured to blend into the natural landscape, and it shall be reseeded with desirable vegetation. Between September 15 and November 1 of the year following pipeline construction of the buried line all disturbed areas shall be reseeded with perennial vegetation according to BIA, or to Ute Tribe specifications.

As necessary one-foot gravel fill will be used for production facilities and access roads. When wellsites are plugged and abandoned gravel will be removed from the affected fields and reclamation will be according to BIA specifications.

Construction of wellsites shall not occur during the period April 1 to July 15, due to potential flooding of the White River. During the drilling and production program a 2-foot high berm shall be constructed around the location and irrigation ditches will be rerouted around the location.

Coastal shall assure the Ute Tribe that any/all contractors and subcontractors have acquired a current Tribal Business License and have access permits prior to construction.

Coastal employees, representatives, and subcontractors shall not carry firearms on their person or in their vehicles while working on the Uintah and Ouray Indian Reservation.

Coastal employees and/or authorized personnel (subcontractors) in the field will have applicable APD's and/or ROW permits/authorizations on their person(s) during all phases of construction.

All vehicular traffic, personnel movement, construction, and restoration activities shall be confined to the areas examined, as referenced in report, and to the existing roadways and/or evaluated access routes.

All personnel shall refrain from collecting artifacts, any paleontological fossils, and from disturbing any significant cultural resources in the area.

The Ute Tribe Energy & Mineral Department shall be consulted if cultural remains (including paleontology fossils) from subsurface deposits are exposed or identified during construction or if the need arises to relocate or otherwise alter the location of the construction area. Prior to commencing constructing in the area where cultural resources are exposed the operator must obtain authorization from the BIA and the Ute Tribal Department of Cultural Rights and Protection.

Before the site is abandoned, the company shall be required to restore the well site and ROWs to near their original state. The disturbed areas will be reseeded with desirable perennial vegetation.

Noxious weeds shall be controlled on the well site and rights-of-way. If noxious weeds spread from the project area onto adjoining land, the company will also be responsible for their control.

When the reserve pit is dug: if groundwater is encountered then the pit bottom shall be placed one foot above the water level. The pit will then be elongated and widened to maintain its original capacity. The Ute Tribe Energy and Minerals Department will be notified of the changes to be made so that a Tribal Technician can monitor the construction of the revised reserve pit.

Reserve pits shall be lined with impervious synthetic liners. Liners will be constructed to lay under the mud tanks, and they will be reinforced to prevent the liner from developing holes where fluids flow from the mud tank into the reserve pit. Liners will be at least 10-mil thick minimum. Pits will be fenced and fences will be maintained as described in Coastal's Standard Operating Procedures for their APD's in the Natural Buttes Unit. Prior to backfilling the reserve pit all fluids will be pumped from the pit into trucks and hauled to approved disposal sites. When the pits are backfilled, the surplus oil and mud etc. will be buried a minimum depth of 3.0 feet below the surface of the soil.

The flare pit shall be adjacent to the reserve pit.

A closed production system shall be used. Production fluids will be contained in leak proof tanks. Low profile tanks will be used if needed to minimize problems with irrigation systems. All production fluids will be disposed of at approved disposal sites. The indiscriminate dumping of production fluids on roads, wellsites or other areas will not be allowed.

Upon completion of the project approved under this Application for Permit to Drill and Right-of-way, the Ute Tribe Energy & Minerals Resources Department will be notified by Coastal Oil and Gas Company so that a Tribal Technician can verify Affidavit of Completion's.

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APPLICATION FOR PERMIT TO DRILL

Company/Operator: Coastal Oil & Gas Corporation

Well Name & Number: 2-81

API Number: 43-047-33276

Lease Number: 14-20-H62-3011

Location: SWNW Sec. 02 T. 09S R. 21E

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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires July 31, 1996

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.

14-2-H62-3011

6. If Indian, Allottee or Tribe Name

Ute

7. If Unit or CA/Agreement, Name and/or No.
N/A

8. Well Name and No.

Ouray #2-81

9. API Well No.

43-047-33276

10. Field and Pool, or Exploratory Area
Ouray

11. County or Parish, State

Uintah UT

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Coastal Oil & Gas Corporation

3a. Address

P.O. Box 1148, Vernal UT 84078

3b. Phone No. (include area code)

(435) 781-7023

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

SW/NW Sec.2, T9S, R21E
2213' FNL & 892' FWL

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☐ Notice of Intent
☒ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- | | | | |
|---|---|--|---|
| <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other <u>Revise</u> |
| <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | <u>Access Road</u> |
| <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

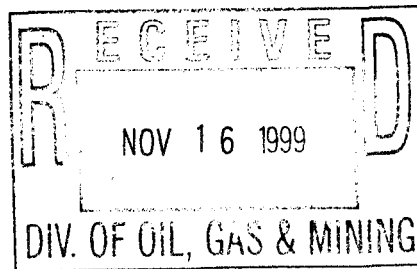
13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

Please refer to Topo B for the Access Road Amendment as discussed during the Onsite on 10/20/99.

**Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY**

COPY SENT TO OPERATOR

Date: 11-17-99
Initials: CHP



14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Katy Dow

Title

Environmental Secretary

Date

11/8/99

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

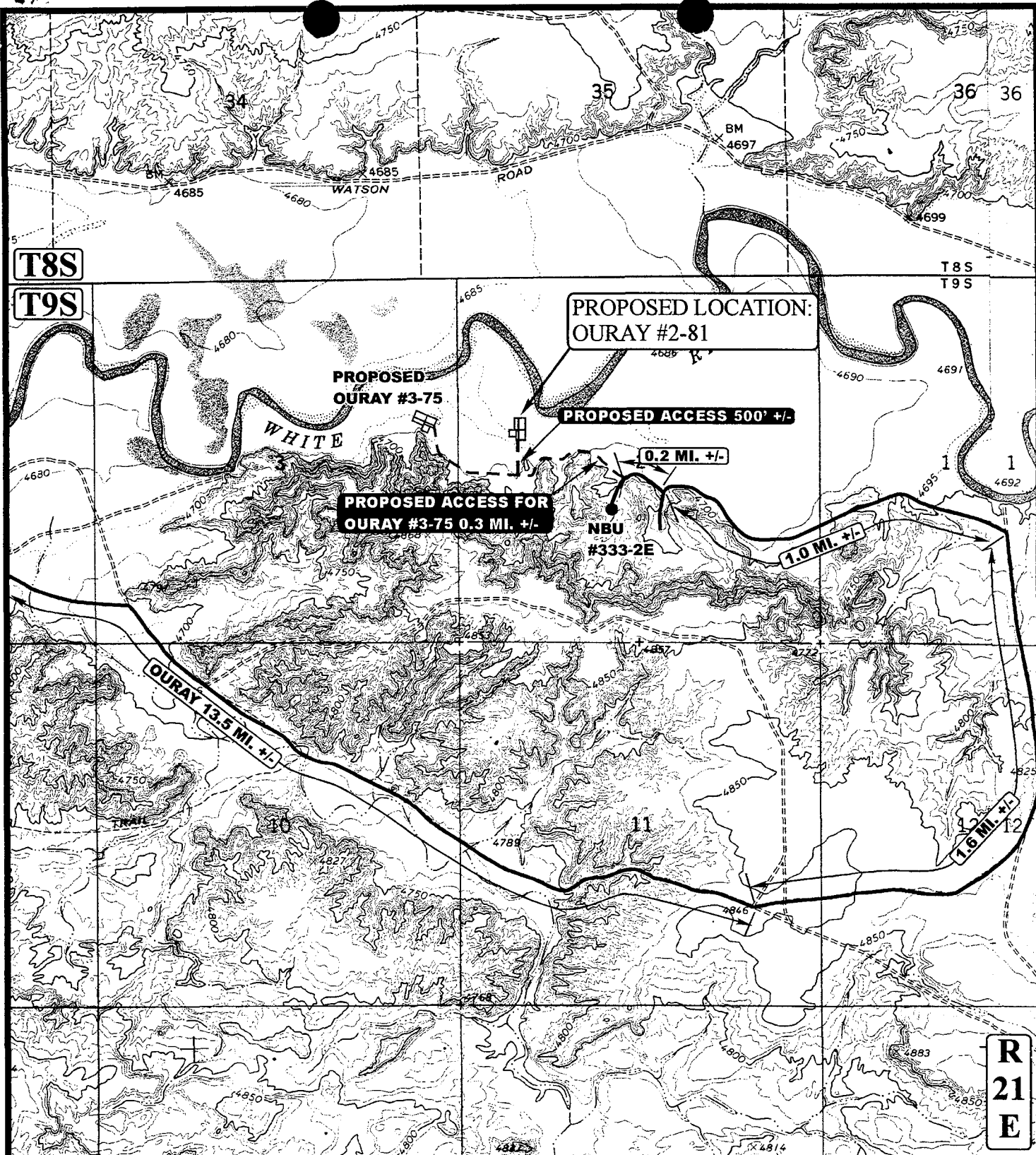
Federal Approval of this
Action is Necessary

Office

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)



LEGEND:

--- PROPOSED ACCESS ROAD
 — EXISTING ROAD

COASTAL OIL & GAS CORP.

OURAY #2-81

SECTION 2, T9S, R21E, S.L.B.&M.

2213' FNL 892' FWL



Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813



**TOPOGRAPHIC
 MAP**

12 14 98
 MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: J.L.G. REVISED: 10-19-99

**B
 TOPO**

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.

14-20-H62-3011

6. If Indian, Allottee or Tribe Name

Ute

7. If Unit or CA/Agreement, Name and/or No.
N/A

8. Well Name and No.

Ouray #2-81

9. API Well No.

43-047-33276

10. Field and Pool, or Exploratory Area
Ouray

11. County or Parish, State

Uintah County Utah

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Coastal Oil & Gas Corporation

3a. Address

P.O. Box 1148, Vernal UT 84078

3b. Phone No. (include area code)

(435)-781-7023

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

SWNW Sec.2,T9S,R21E 2213'FNL & 892'FWL

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- | | | | |
|---|---|--|---|
| <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other <u>One Year</u> |
| <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | <u>Extension</u> |
| <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

Coastal Oil & Gas Corporation requests authorization for an one year extension on the above subject well.

Approved by the
Utah Division of
Oil, Gas and Mining

Date:

By:

RECEIVED

FEB 14 2000

DIVISION OF
OIL, GAS AND MINING

COPY SENT TO OPERATOR

Date: 2-16-00
Initials: CHP

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Sheila Upchego

Title

Environmental Jr. Analyst

Date 2/8/00

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001, and Title 43 U.S.C. Section 1212, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Vernal District Office

170 South 500 East

Vernal, Utah 84078-2799

<http://www.blm.gov/utah/vernal>

Phone: (801) 781-4400

Fax: (801) 781-4410

IN REPLY REFER TO:

3160

UT08300

February 22, 2001

Coastal Oil & Gas Corporation
P. O. Box 1148
Vernal, UT 84078

Re: Notification of Expiration
Well No. 2-81
SWNW, Section 2, T9S, R21E
Uintah County, Utah
Lease No. 14-20-H62-3011

43-047-33276

Dear Cheryl:

The Application for Permit to Drill the above-referenced well was approved on February 8, 1999. A one (1) year extension of the original APD was requested. The request was reviewed and the extension approved until February 9, 2001. According to our records, no known activity has transpired at the approved location. In view of the foregoing, this office is notifying you the approval of the referenced application has expired. If you intend to drill at this location at a future date, a new Application for Permit to Drill must be submitted.

This office requires a letter confirming that no surface disturbance has been made for this drill site. Any surface disturbance associated with the approved location of this well is to be rehabilitated. A schedule for this rehabilitation must be submitted to this office. Your cooperation in this matter is appreciated.

Sincerely,

Leslie Crinklaw

Leslie Crinklaw
Legal Instruments Examiner

cc: State Div. OG&M

RECEIVED

FEB 26 2001

DIVISION OF
OIL, GAS AND MINING



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor
Kathleen Clarke
Executive Director
Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

February 28, 2001

Cheryl Cameron
Coastal Oil & Gas Corporation
P. O. Box 1148
Vernal, Utah 84078

Re: APD Rescinded – Ouray 2-81, Sec. 2, T.9S, R.21E - Uintah County, Utah
API No. 43-047-33276

Dear Mrs. Cameron:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on February 8, 1999. On February 16, 2000, the Division granted Coastal a one-year APD extension. No drilling activity at this location has been reported to the division. Due to the excessive time delay in commencing drilling operations, approval to drill the well is hereby rescinded, effective February 16, 2001.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

A handwritten signature in cursive script that reads "Lisha Cordova".

Lisha Cordova
Eng. Technician

cc: Well File
Bureau of Land Management, Vernal